Process Overview

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DDAA Pre-proposal

What Is "A-76?"

Office of Management and Budget
Circular No. A-76, Performance of Commercial Activities

- Establishes Federal policy for the performance of recurring commercial activities (CA)
- Goal is to achieve economy and enhance productivity

What Is a "Commercial Activity?"

"A commercial activity is one which is operated by a Federal executive agency and which provides a product or service which could be obtained from a commercial source."

It is "... the general policy of the Government to rely on commercial sources to supply the products and services the Government needs."

What Is A-76 Designed to Accomplish?

- The A-76 process is designed to:
  - Allow the Government to determine if it's more cost-effective to have a service performed by the Government or a contractor
  - Level the playing field for public and private offerors
  - Encourage competition and choice in the management and performance of commercial activities

What's Different About an A-76 Acquisition?

FAR 52.207-2, Notice of Cost Comparison (Negotiated) (FEB 1993)

- **The decision to award or cancel the solicitation depends on the result of the cost comparison.**
- **The in-house cost estimate (IHCE) must be sealed and submitted to the KO before RFP closing.**
- **After selection of the best-value offeror (BVO), the KO opens the IHCE in the presence of the**

What's Different About an A-76 Acquisition?

Per the Revised Supplemental Handbook:

In order to "ensure that the Government will not convert for marginal estimated savings", a "Minimum Conversion Differential", the lesser of $10 million or 10% of the MEO personnel costs, is added to the cost of contract performance.

What's Different About an A-76 Acquisition?

FAR 52.207-3, Right of First Refusal of Employment (NOV 1991)

Federal employees adversely affected by a decision to convert to contract must be offered jobs

- **for which they are qualified *and***
- **that are created by the award of the contract**

"ROFR"

Communication

- **Much information that would normally be subject to the Freedom of Information Act may be procurement-sensitive and not subject to disclosure**
- **The Contracting Officer is responsible for ensuring that the PWS is "adequate and appropriate to serve as a basis for award" and all communications should be with the contracting office:**

http://www.supply.dla.mil/A76

A76contracting@dscc.dla.mil

Phone: 614-692-2258; Fax: 614-692-6273

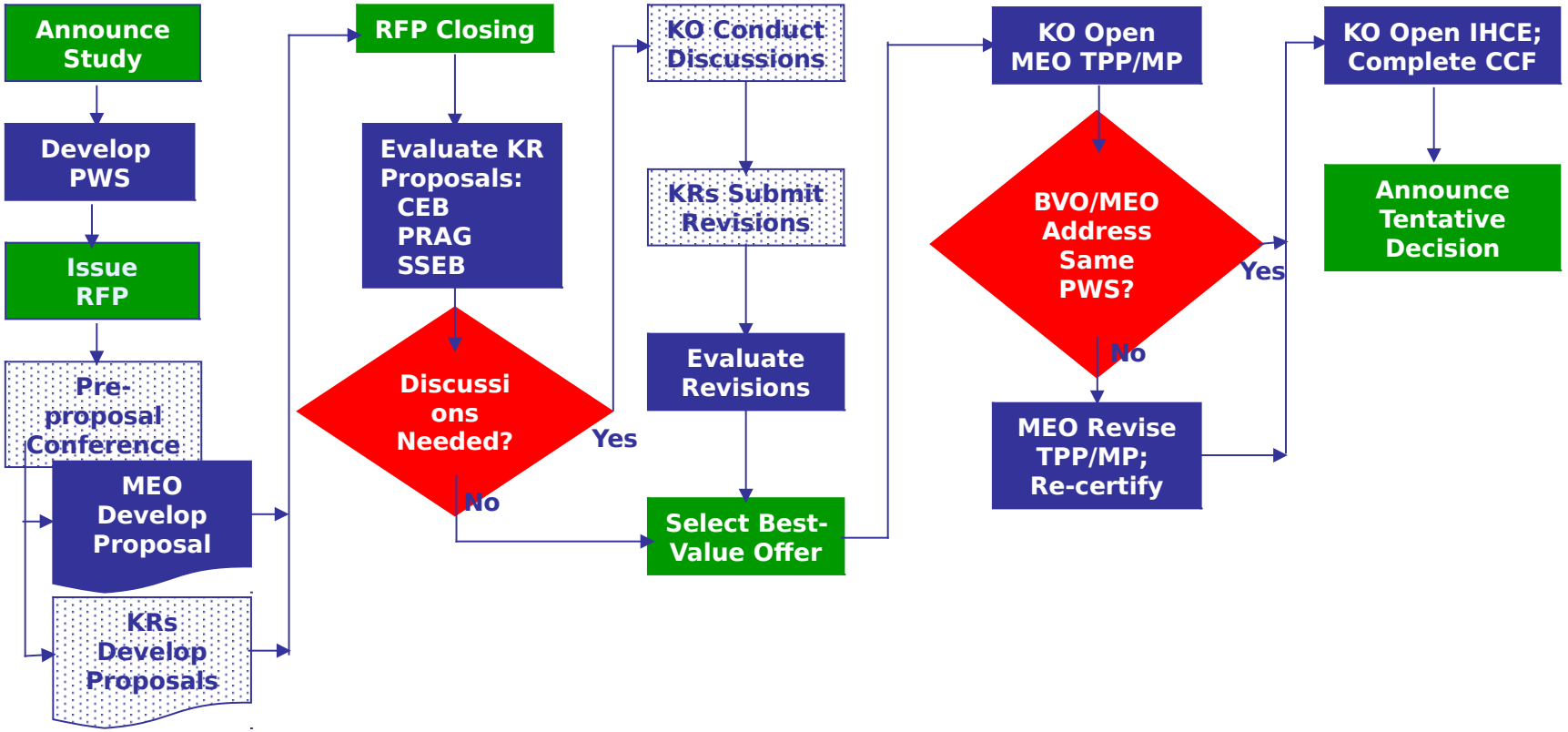
“Firewalls”

- **Established at time of announcement**
- **Both government employees and consultants are assigned to PWS OR MEO**
- **The Government's cost estimates are certified by an Independent Review Officer (IRO)**
- **The team developing the government proposal is treated as any other offeror**
- **All persons involved in A-76 studies or acquisitions are required to sign non-disclosure statements**

What's the Process?

- **October 10, 2001: DLA announced the study of the third round of distribution centers (DDTP, DDPW, DDCT, DDAA, DDOO, DDRT, and DDNV).**
- **Per DoD Appropriations legislation, DLA has 48 months to:**
  - **Develop the Performance Work Statement (PWS)**
  - **Issue an RFP**
  - **Develop an in-house proposal (Most Efficient Organization (MEO))**
  - **Select the best-value offer**
  - **Compare the best-value offer with the MEO (tentative decision)**

Process Flow



How Does the Cost Comparison Work?

- First, the Government's technical proposal is compared to the PWS to ensure it addresses the same performance criteria (technical leveling).
- If not, the Government team revises its technical proposal and makes any associated changes to their management plan and in-house cost estimate (IHCE).
- When this is complete, the KO opens the IHCE and completes the cost comparison form.

Info Released If Decision Favors Contract

- **The MEO receives:**
  - **Apparent winning contractor's Schedule B**
  - **Completed Cost Comparison Form**

Info Released If Decision Favors Government

- **Best-Value Offeror:**
  - **IHCE, plus supporting documents**
  - **MEO Management Plan**
  - **MEO Technical Plan**
- **Unsuccessful offerors within the competitive range receive a letter informing them of the result and the cost-comparison form.**
- **Unsuccessful offerors outside the competitive range receive no notice.**

Appeals

- **Appeals must be filed within 30 days of the date all supporting documentation is made available.**
- **Appeal authority provides final decision within 30 days of receipt of appeal.**
- **During public review period, directly affected parties may file with the KO written requests, based on specific objections, for administrative review of the result under the agency appeals procedure.**
- **Appeals procedure used to address questions regarding the calculation of the result only.**

Protests

- If decision favors contract, unsuccessful offerors must request a debriefing within three days and the KO must conduct promptly.
- Protests must be filed within five days of debriefing.
- If a timely protest is received, KO suspends performance pending resolution.
- Agency shall make its best effort to resolve agency protests within 35 days.

Previous A-76 Decisions

Columbus, OH	Nov 99	MEO
Barstow, CA	Jan 00	EG&G
Warner Robins, GA	Feb 00	EG&G
Jacksonville, FL	Mar 01	MANCON
Cherry Point, NC	May 01	LABAT Anderson
Richmond, VA	Jan 01	MEO

Acquisition Issues

- **Unrestricted procurement**
- **Formal source selection procedures will be used.**
- **The winning contractor proposal will be the proposal which offers the best value.**
- **Price is approximately equal to all other factors combined: past performance, technical, socioeconomic, JWOD, and the DLA MBA program.**

Service Contract

- **FAR 52.222-41, Service Contract Act of 1965, As Amended (MAY 1989)**
  - **Establishes minimum wage and fringe rates**
  - **Adjustments**
- **Collective bargaining agreements do not apply**
- **Wage determinations based on prevailing rates**

Service Contract

FAR 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989)

Identifies classes of service employees expected to be employed and states equivalent government wages and fringe benefits

- **WG: Step 2 for non-supervisory; Step 3 for supervisory**
- **GS: Divide Step 1 biweekly rate by 80**

Statement of Equivalent Rates

PP-SER-GR	POSITION TITLE	BASIC	FRINGE	TOTAL
GS-2001-09	GENERAL SUPPLY SPECIALIST	16.24	5.20	21.44
GS-2001-12	SUPERVISORY GENERAL SUPPLY SPECIALIST	23.54	7.53	31.07
GS-2003-11	SUPPLY SYSTEMS ANALYST	19.64	6.28	25.92
GS-2005-04	SUPPLY CLERK	9.58	3.07	12.65
GS-2005-05	SUPPLY TECHNICIAN (DATA TRANSCRIBING)	10.72	3.43	14.15
GS-2005-05	SUPPLY TECHNICIAN	10.72	3.43	14.15
GS-2005-07	SUPPLY TECHNICIAN	13.27	4.25	17.52
GS-2005-08	LEAD SUPPLY TECHNICIAN	14.70	4.70	19.40
GS-2032-09	PACKAGING SPECIALIST	16.24	5.20	21.44
WG-5703-06	MOTOR VEHICLE OPERATOR	13.25	4.24	17.49
WG-5703-07	MOTOR VEHICLE OPERATOR	14.13	4.52	18.65
WG-5703-08	MOTOR VEHICLE OPERATOR	14.90	4.77	19.67
WG-5704-05	FORK LIFT OPERATOR (MATERIALS HANDLER)	12.37	3.96	16.33
WG-5704-05	FORK LIFT OPERATOR (PACKER)	12.37	3.96	16.33
WG-5704-06	FORK LIFT OPERATOR	13.25	4.24	17.49
WG-6907-05	MATERIALS HANDLER (FORK LIFT OPERATOR)	12.37	3.96	16.33
WG-6907-05	MATERIALS HANDLER (PACKER)	12.37	3.96	16.33
WG-6907-05	MATERIALS HANDLER	12.37	3.96	16.33
WG-6907-06	MATERIALS HANDLER	13.25	4.24	17.49
WG-6907-06	MATERIALS HANDLER (FORK LIFT OPERATOR)	13.25	4.24	17.49
WG-6912-06	MATERIALS EXAMINER AND IDENTIFIER	13.25	4.24	17.49
WG-6912-07	MATERIALS EXAMINER AND IDENTIFIER	14.13	4.52	18.65
WG-7002-05	PACKER (FORK LIFT OPERATOR)	12.37	3.96	16.33
WG-7002-06	PACKER	13.25	4.24	17.49
WG-7002-06	PACKER (FORK LIFT OPERATOR)	13.25	4.24	17.49
WL-4604-08	WOOD WORKER LEADER	16.41	5.25	21.66
WL-5704-05	FORK LIFT OPERATOR (MATERIALS HANDLER) LDR	13.61	4.36	17.97
WL-6907-05	MATERIALS HANDLER LEADER	13.61	4.36	17.97
WL-6907-05	MATERIALS HANDLER (FORK LIFT OPERATOR) LDR	13.61	4.36	17.97
WL-7002-06	PACKER LEADER	14.58	4.67	19.25
WL-7002-06	PACKER (FORK LIFT OPERATOR) LEADER	14.58	4.67	19.25
WS-5703-07	MOTOR VEHICLE OPERATOR SUPERVISOR	19.93	6.38	26.31

Sample

DDAA Pre-proposal

Schedule

Issue Final RFP:	**September 29, 2003**
Pre-proposal Conference:	**October 27, 2003**
RFP Closing:	**January 23, 2004**
Tentative Decision:	**October 1, 2004**